

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

ORACLE AMERICA, INC.,	)	Case No.: 11-CV-01043-LHK
	)	
Plaintiff,	)	ORDER DENYING MOTION FOR
v.	)	PERMISSION TO LODGE ATTORNEY-
	)	CLIENT PRIVILEGED DOCUMENTS
INNOVATIVE TECHNOLOGY	)	FOR IN CAMERA REVIEW
DISTRIBUTORS, LLC,	)	
	)	(re: dkt. #55)
Defendant.	)	
	)	

Presently before the Court is a motion for permission to lodge documents for *in camera* review. For the reasons explained below, this motion is DENIED.

**I. Background**

This case involves a multi-million dollar contract dispute between Plaintiff Oracle America, Inc. (“Oracle”) and Defendant Innovative Technology Distributors, LLC (“ITD”). Aside from that central contract dispute, Oracle has moved to disqualify certain counsel associated with ITD. In connection with its motion to disqualify counsel, Oracle has also moved for permission to lodge with the Court what it describes as three “attorney-client privileged” documents for *in camera* review. *See* Dkt. #55. Oracle requests permission to lodge the documents for *in camera* review because it contends that the documents are subject to attorney-client privilege, “which might be waived if the documents were filed and served on ITD.” *Id.* at 2.

1           However, Oracle also requests that the Court consider these documents as part of Oracle's  
2 motion to disqualify counsel. Specifically, Oracle argues that these documents show that its former  
3 in-house counsel, Vicky Dal Molin, was involved with matters related to business negotiations  
4 between Oracle and ITD before she left Oracle to become General Counsel of ITD.

5           ITD opposes the motion on two grounds: (1) that Oracle has not described the allegedly  
6 privileged documents with "sufficient particularity" as required by Federal Rule of Civil Procedure  
7 26(b)(5); and (2) that, as a matter of fairness, Oracle should not be allowed to both withhold the  
8 documents from ITD's review as a matter of privilege and also use the documents affirmatively to  
9 disqualify ITD's counsel.

10           **II.     Analysis<sup>1</sup>**

11           The proposition that a litigant waives the attorney-client privilege by placing the attorney's  
12 performance at issue during the litigation has come to be identified as the "fairness principle." *See*  
13 *Bittaker v. Woodford*, 331 F.3d 715, 719 (9th Cir. 2003). "The principle is often expressed in  
14 terms of preventing a party from using the privilege as both a shield and a sword. . . . In practical  
15 terms, this means that parties in litigation may not abuse the privilege by asserting claims the  
16 opposing party cannot adequately dispute unless it has access to the privileged materials. The party  
17 asserting the claim is said to have implicitly waived the privilege." *Id.* Under the implied waiver  
18 doctrine, the "court thus gives the holder of the privilege a choice: If you want to litigate this claim,  
19 then you must waive your privilege to the extent necessary to give your opponent a fair opportunity  
20 to defend against it." *Id.* at 720.

21           The Court finds that it is appropriate to give Oracle, the holder of the privilege, that choice  
22 here. By moving to disqualify Ms. Dal Molin, Oracle has taken an affirmative act and put the  
23 privileged information at issue. Indeed, Oracle argues in its Reply that it believes "Ms. Dal Molin  
24 has already communicated everything in these privileged emails to [ITD's outside counsel], and so,  
25  
26

27           <sup>1</sup> In a "Reply" to ITD's opposition, Oracle submitted a more detailed privilege log that  
28 appears to satisfy the "sufficient particularity" requirement of Rule 26. As explained in the text,  
however, the Court finds that fairness dictates the denial of Oracle's motion.

1 the cat is out of the bag. This is the entire reason for Oracle’s motion for disqualification.” *See*  
2 Reply at 3.

3       If Oracle wants the Court to consider the documents it considers privileged in connection  
4 with the disqualification motion, then Oracle cannot, at the same time, deny ITD access to the same  
5 materials. *See United States v. Amlani*, 169 F.3d 1189, 1195 (9th Cir. 1999) (requiring “the court  
6 to evaluate whether ‘allowing the privilege would deny the opposing party access to information  
7 vital to its defense.’”); *see also Cole v. United States Dist. Court for the Dist. of Idaho*, 366 F.3d  
8 813, 821 (9th Cir. 2004) (prior to disqualifying counsel, “procedural due process requires notice  
9 and an opportunity to be heard”). Otherwise, Oracle would obtain the improper advantage of using  
10 the privileged documents as both shield and sword. *See United States v. Orland*, 109 F.3d 539,  
11 543 (9th Cir. 1997) (“The privilege which protects attorney-client communications may not be  
12 used both as a sword and a shield. Where a party raises a claim which *in fairness* requires  
13 disclosure of the protected communication, the privilege may be implicitly waived.”) (italics in  
14 original). In the event that Oracle chooses to turn over the privileged materials, the Court would  
15 allow Oracle to file the documents under seal under Civil Local Rule 79-5 (as long as the  
16 documents are actually “sealable”) and would impose a waiver strictly limiting the use of the  
17 documents to ITD’s outside counsel’s eyes only in the current proceedings before this Court.

18       On the other hand, Oracle may choose to abandon its request for the Court to consider the  
19 allegedly privileged documents in connection with Oracle’s motion to disqualify counsel and  
20 thereby preserve the privilege. *See Bittaker*, 331 F.3d at 721 (“the holder of the privilege may  
21 preserve the confidentiality of the privileged communications by choosing to abandon the claim  
22 that gives rise to the waiver condition”). In the event Oracle chooses this option, the Court would  
23 still have a voluminous record to consider, which would include the briefs in connection with the  
24 motion to dismiss (including a Court-approved “sur-reply” and a “sur-sur-reply”) and the hundreds  
25 of pages of declarations submitted by the parties in connection with the disqualification motion.

26 **III. Conclusion**

27 For the reasons explained above, Oracle’s administrative motion for permission to lodge  
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attorney-client privileged documents for *in camera* review (dkt. #55) is DENIED.

**IT IS SO ORDERED.**

Dated: June 28, 2011

  
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LUCY H. KOH  
United States District Judge